United Nations A/C.5/62/SR.1

General Assembly
Sixty-second session

Official Records

Distr.: General
16 October 2007

Original: English

Fifth Committee

Summary record of the 1st meeting
Held at Headquarters, New York, on Friday, 5 October 2007, at 10 a.m.

Chairman: Mr. Ali. . . . . (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Statement by the Deputy Secretary-General

Organization of work

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

07-52983 (E)

The meeting was called to order at 10.15 a.m.

Statement by the Deputy Secretary-General

1. **Ms. Migiro** (Deputy Secretary-General) reaffirmed the importance she attached to the work of the Fifth Committee. Her presence at the opening meeting of the sixty-second session should be interpreted as evidence of the Secretary-General's commitment to engage in a transparent dialogue with Member States in order to create an efficient, directed, pragmatic and accountable administration, focused on results and committed to serving the global good.

2. In order to create a stronger United Nations for a better world, the three pillars of the Organization's work, namely, development, peace and security and human rights, must be reinforced. At the 2005 World Summit and in subsequent General Assembly resolutions, Member States had reaffirmed their commitment to enhancing the authority of the United Nations and had called for strengthened accountability and a more effective and efficient use of human and financial resources. Those issues, as well as questions relating to legislative mandates, budgets, oversight and management reform, would once again be central to the Committee's forthcoming deliberations.

3. The Secretary-General was fully committed to working both within the Secretariat and with Member States to achieve those aims. In the area of peacekeeping, he had dedicated considerable efforts to strengthening the Organization's capacity to manage and sustain complex operations and was encouraged by the willingness of Member States to support his endeavours. He also looked forward to their support in the field of conflict prevention. Building capacity in that area would help to ensure the sustainability of peace agreements and limit the deployment of costly and complex peacekeeping operations.

4. Under the Charter of the United Nations, the Organization's staff must display the highest standards of efficiency, competence and integrity. Accordingly, through the establishment of the Ethics Office, the Secretariat had demonstrated its commitment to the implementation of new policies and training initiatives with a view to creating an ethical and transparent working environment. As part of his efforts to strengthen the accountability framework, the Secretary-General attached the utmost importance to the conclusion of performance compacts with his senior managers. Those compacts, which had been drafted on the basis of dialogue between the Deputy Secretary-General and senior managers, were a first for the Secretariat and represented its commitment to enhanced performance, accountability and transparency. They had also served to raise senior managers' awareness of the importance of sharing experiences, working as a team and identifying areas for improvement.

5. The Secretary-General was also fully committed to strengthening the internal management bodies, such as the Management Performance Board and the Management Committee. Those bodies provided a means of solidifying managerial commitment to the reform process and ensuring adequate institutional follow-up to the recommendations of the oversight entities. They would also serve to keep the reform process on track in a coherent and coordinated manner, a task that would prove even more critical in the months ahead as the Secretariat sought to deliver and manage a number of additional proposed improvements, including a new system of internal justice, the enterprise resource planning system and the adoption of the International Public Sector Accounting Standards. Taken together, those reform measures would facilitate the transition to more modern business processes and practices and improve, inter alia, the quality and credibility of financial and management reporting.

6. At the current session, the Secretary-General would be asking Member States for their support in a number of high priority areas. First, he would be submitting for consideration and approval the proposed programme budget for the biennium 2008-2009, including a number of add-ons which were essential components of the reform agenda. Second, the Fifth Committee would have before it a series of reports outlining efforts to improve internal controls and accountability, including an update on the various in-house efforts to strengthen procurement and risk management mechanisms, which were particularly important in view of the surge in peacekeeping operations. Third, the Secretary-General intended to submit a comprehensive report on procurement reform, in which he would account for the resources provided at the sixty-first session and update the General Assembly on progress made in the area of internal controls. Fourth, Member States would be asked to move ahead with human resources management

reforms and would receive details of and resource requirements for the new system of internal justice. Lastly, the information requested on system needs, scope and resource requirements for the global resource management system would be provided. Progress on all those fronts would be critical to transforming the Organization's human resources base and enhancing managerial decision-making tools, including better financial controls and more accurate and timely management reporting.

7. While the Secretariat would not shrink from its responsibility to seek to ensure the continuous improvement of the delivery of the mandates entrusted to it, Member States must support its endeavours by providing adequate resources. She was convinced that, by working together in partnership, Member States and the Secretariat would be able to confront the challenges of the twenty-first century successfully.

Organization of work (A/C.5/62/1; A/C.5/62/L.1)

8. **The Chairman** invited members to consider the proposed programme of work of the Committee for the main part of the session, as contained in the informal paper circulated to delegations. The proposed programme of work had been prepared on the basis of the list of agenda items allocated to the Committee by the General Assembly (A/C.5/62/1). The status of preparedness of the relevant documentation for those items was described in document A/C.5/62/L.1. A separate list on the status of documentation would be issued for the first and second resumed sessions of the Committee.

9. He wished to highlight some of the recommendations made by the General Committee in document A/62/250, which had been adopted by the Assembly at its 3rd plenary meeting: The Fifth Committee should complete its work for the main part of the session by 14 December 2007. In view of financial constraints, meetings of the Main Committees, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. The General Assembly had also decided, in accordance with past practice, to waive the requirement that at least one quarter of the members of a Main Committee should be present in order to declare a meeting open and to permit the debate to proceed.

10. Efforts should be made to reduce the number and the length of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should also be more action-oriented. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary organs which did not require a decision by the Assembly and should neither debate nor adopt resolutions on them unless specifically requested to do so.

11. With regard to the programme budget, he drew attention to rule 153 of the rules of procedure of the General Assembly on statements of programme budget implications and to paragraphs 12 and 13 of General Assembly decision 34/401 on the need to allow sufficient time for the Secretariat to prepare estimates of expenditure arising from draft resolutions and for the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee to consider such estimates. As noted in paragraph 36 of the report of the General Committee, in most cases more than 48 hours were required for the Secretary-General to review the programme budget implications of proposals before the Assembly. Accordingly, he urged delegations to convey to their colleagues in the other Main Committees the importance of ensuring timely consideration of and action on draft proposals with programme budget implications.

12. **Mr. Ramos** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia and Turkey; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that it should be possible for the Committee to complete its work by the scheduled deadline (14 December 2007) without meeting outside regular working hours. The European Union was committed to building on the progress already achieved and favoured making maximum use of the time available by, inter alia, starting meetings on time. On the issue of documentation, he noted with concern that reports continued to be issued very late, sometimes even after the date scheduled for the completion of the Committee's work for the main part of the session. The European Union would not be in a position to discuss any reports scheduled for submission on or after 14 December 2007.

13. The proposed programme budget for the biennium 2008-2009 and the financing of the international tribunals and peacekeeping missions were issues of particular importance. Management reform also remained a priority for the European Union, since both the Organization as a whole and its Member States would benefit from improved administration. Accordingly, he looked forward to receiving the reports on the various aspects of that reform, including the administration of justice, human resources management, information and communication technology, and oversight, some of which were long overdue.

14. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, expressed his appreciation to the Deputy Secretary-General for her statement. However, referring to the issue of human resources management reform, he stressed that in addition to calling for the highest standards of integrity and competence, the Charter of the United Nations also provided for the principle of equitable geographical distribution of staff.

15. In accordance with General Assembly resolutions 59/265, 58/250 and 57/283 B, all documents should be issued in all six official languages six weeks before the opening of the session. It was regrettable that failure to comply with those resolutions was now the rule rather than the exception. A significant proportion of important documents were now routinely issued late, and such delays had a serious impact on the quality of the Committee's deliberations. The Group of 77 and China would like to see the early results of the measures envisaged by the Secretary-General to address the underlying causes of the problem. The Group's readiness to consider any item on the programme of work was contingent on the availability of all relevant documents in all six official languages sufficiently in advance to allow it to coordinate its position.

16. At the sixty-first session, under intense political pressure, the Fifth Committee had been forced to deal with some important issues at the last minute, including the proposed restructuring of the Department of Peacekeeping Operations. It was therefore regrettable that, despite the purportedly urgent need to appoint an Under-Secretary-General for Field Support, five months after its establishment the post was still vacant.

17. At the current session, the Committee would consider several reform-related items. In view of the strategic value of the proposed programme budget for the biennium 2008-2009, he stressed the need to allocate sufficient time for extensive deliberations. A spirit of transparency and inclusiveness should also prevail during negotiations on all items. The Group of 77 and China had a number of questions about the efficiency and effectiveness gained as a result of decisions relating to the programme budget for the biennium 2006-2007 and wished to reiterate its opposition to decision-making in small groups, especially on issues relating to the budget and reform, and to imposing any conditions on the budget negotiations.

18. **Mr. Fermín** (Dominican Republic), speaking on behalf of the Rio Group, drew attention to a number of issues that were of particular interest to his delegation. First, referring to the proposed programme budget, he said that the Secretary-General's proposals, as well as the comments of ACABQ, should enable the General Assembly to provide the Organization with the resources it needed to comply fully with its mandate. He reaffirmed his commitment to strict budgetary control and stressed that resources should be distributed evenly among the Organization's priority activities. It was unfortunate that the Secretary-General's proposals in the area of development did not reflect that imperative.

19. Second, the States members of the Rio Group attached particular importance to the scale of assessments. In that connection, they endorsed the recommendations of the Committee on Contributions concerning the requests for exemption under Article 19 of the Charter submitted by the Central African Republic, the Comoros, Guinea-Bissau, Liberia, Sao Tome and Principe, Somalia and Tajikistan.

20. Third, he underlined the need for mechanisms to ensure the professionalization and effectiveness of the new system for the administration of justice, as well as for guarantees of due process and transparency in line with relevant international standards.

21. Fourth, referring to the capital master plan, he expressed serious concern about rumours of a possible cost escalation, particularly since many States members of the Rio Group had already paid their contributions for the project in full. The General Assembly had the ultimate authority to decide on the

strategy and cost of the capital master plan, on the basis of the relevant reports and presentations submitted by the Secretary-General.

22. Fifth, he reaffirmed the importance of the United Nations common system and the essential role of the International Civil Service Commission in regulating and coordinating the conditions of service of the participating organizations.

23. Sixth, with regard to pension arrangements for United Nations staff, the Rio Group was committed to finding a way to mitigate the adverse consequences of dollarization in Ecuador, and hoped that the Pension Fund would respond to the General Assembly's request by submitting a proposal on that issue.

24. Seventh, the Group would continue to participate in the negotiations on human resources management reform, with a view to enhancing the Organization's effectiveness, transparency and accountability.

25. The Group had taken note of the restructuring of the Department of Peacekeeping Operations and the Secretary-General's proposals on the reform of the Department of Political Affairs. However, it was of some concern to the Group that matters relating to the reform of the development agenda, agreed upon at the 2005 World Summit, had not benefited from similar priority attention. In view of the Fifth Committee's full agenda, he was also concerned that, to date, no formal proposal on the latter issue appeared to have been submitted.

26. Lastly, he would be grateful for an explanation of the reasons behind the delay in appointing an Under-Secretary-General for Field Support, and expressed the hope that the post would eventually be filled by a national of a developing or troop-contributing country.

27. **Mr. Ng'ongolo** (United Republic of Tanzania), speaking on behalf of the African Group, said that, while the Group appreciated the Secretariat's efforts to present a balanced programme of work, it was concerned about the late issuance of reports in violation of several General Assembly resolutions, that situation aggravated the constraints on smaller delegations, in particular, given the volume of work to be done, the limited time, and the fact that several items were of equally high priority.

28. **Mr. Wallace** (United States of America) said that the Committee was embarking on the difficult task of determining the appropriate level of resources for United Nations programmes to benefit people around the world, while also ensuring that it was fiscally responsible in its decision-making and that the resources provided by Member States were used effectively and efficiently. The proposed programme budget for the biennium 2008-2009 totalled well over $4 billion. It was therefore imperative that the Organization's resources should be used wisely. One sign of good management would be to aim for zero growth in the budget at all times, and especially at a time when resources were limited.

29. The mandate review that world leaders had called for at the September 2005 summit would strengthen the programme of work and improve the efficient allocation of resources. Further consultations on the matter among Member States were pointless, however, without a viable framework for such a review that would lead to the elimination of redundant or irrelevant mandates.

30. His delegation urged the Secretary-General to ensure the implementation of reforms by finalizing a system-wide code of ethics and applying the authority and policies of the Ethics Office throughout the Organization, including the funds and programmes. All United Nations officials should emulate the Secretary-General and the Deputy Secretary-General in making public their financial disclosure statements so that all organizations had the same high standards of ethics, transparency and accountability.

31. In the area of oversight, the new Independent Audit Advisory Committee would soon be advising the General Assembly on how to strengthen the scope and effectiveness of existing internal oversight mechanisms. The Office of Internal Oversight Services must be guaranteed operational independence so that it might perform its duties free of real or perceived influence from the bodies it was intended to oversee. It must also have sufficient resources to perform its core functions. It was, moreover, essential that the United Nations should adopt a formal internal control framework to improve transparency and accountability, and define an accountability framework and achieve results-based management.

32. The procurement system had been improved through staff training and the call for an independent bid protest system. Nevertheless, further changes were needed to improve the management and organization

structure of procurement and to clarify the relationship between Headquarters and peacekeeping procurement.

33. The system of administering justice for United Nations staff members needed further improvement, and contracts and conditions of service should be regularized to improve recruitment and the retention of well-qualified personnel. Finally, the United Nations should make a realistic assessment of key outputs and activities so that its limited resources could be directed towards high-priority programmes that would produce results.

34. **Mr. Romero-Martinez** (Honduras) welcomed the Secretariat's decision to propose measures for increased efficiency in the use of resources to carry out the mandates and priorities of the United Nations. However, it was of the utmost concern to his delegation that the Development Account represented only 0.37 per cent of the proposed programme budget for the biennium 2008-2009.

35. The system of internal justice should be overhauled completely in accordance with General Assembly resolution A/61/261. Fair and balanced administration of justice within the Secretariat would set an example of high ethical standards, integrity and transparency for all international organizations. His delegation also hoped to see specific measures that would reduce the time posts remained vacant in the Organization, as well as mechanisms to ensure more equitable geographical distribution, including within senior management posts.

36. Speaking as President of the International Research and Training Institute for the Advancement of Women (INSTRAW), he informed the Committee that, at the end of 2007, the Institute would be in a position to reimburse the amount of $557,800 that had been provided by the United Nations, and that it would not have to request funds from the regular budget of the United Nations to finance its programmes in 2008.

37. **Mr. Muhith** (Bangladesh) said that, although 2007 was an important budget year for the Fifth Committee, he hoped that other priority items would also receive attention. The ongoing problem of the late issuance of documents was unacceptable in that it delayed the start of work and prolonged the decision-making process.

38. **Mr. Poulin** (Canada), speaking also on behalf of Australia and New Zealand, said that in a climate of increasing budgets, it was more important than ever to allocate resources efficiently and to practise financial responsibility. Management reform should play a key role in achieving those aims.

39. **The Chairman** said he took it that the Committee approved the proposed programme of work on the understanding that the Bureau would take into account the views expressed and make the necessary adjustments.

40. *It was so decided.*

41. **The Chairman** proposed that a deadline of 16 October should be set for the submission of candidatures for appointments to fill vacancies in subsidiary organs and other appointments, and that the elections should be held on 2 November. With respect to the appointment of members of the United Nations Administrative Tribunal, he reminded the Committee that, in paragraph 36 of General Assembly resolution 61/261 on the administration of justice at the United Nations, the Assembly had decided to continue consideration of the item during the sixty-second session as a matter of priority with the objective of implementing the new system of administration of justice no later than January 2009, while paragraphs 29 to 31 of the resolution set forth the relevant transitional measures.

The meeting rose at 11.20 a.m.

United Nations A/C.5/62/SR.2

General Assembly
Sixty-second session

Official Records

Distr.: General
17 October 2007

Original: English

Fifth Committee

Summary record of the 2nd meeting
Held at Headquarters, New York, on Monday, 8 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 132: Scale of assessments for the apportionment of the expenses of the United Nations

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

07-53173 (E)

The meeting was called to order at 10 a.m.

Agenda item 132: Scale of assessments for the apportionment of the expenses of the United Nations (A/62/11 and A/62/70)

1. **Mr. Greiver** (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions on its sixty-seventh session (A/62/11), recalled that in its resolution 61/237 the General Assembly had requested the Committee on Contributions to review the methodology of future scales of assessments on the basis of the principle that the expenses of the Organization should be apportioned broadly according to capacity to pay. The Committee had proceeded with its initial review of the elements of the methodology in order to reflect the capacity of Member States to pay and had decided to undertake at its sixty-eighth session an in-depth study of the methodology as the basis of a comprehensive report to be submitted to the General Assembly at its sixty-third session.

2. The Committee had reaffirmed its earlier recommendation that the most current, comprehensive and comparable data available for gross national income (GNI) should be used for income measurement in preparing the scale and noted that universal adoption of the 1993 System of National Accounts (SNA) would provide for a more equitable and comparable measure of capacity to pay; it encouraged Member States which had not yet done so to adopt the 1993 SNA.

3. The Committee had also reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used, except where that would cause excessive fluctuations and distortions of GNI expressed in United States dollars at MERs, in which case price-adjusted rates of exchanges (PAREs) should be employed. Some members wished to review at the Committee's next session the feasibility of using purchasing power parity (PPP) in the light of a new study by the World Bank. Other members had expressed serious reservations about the use of PPP on the grounds that it did not measure capacity to pay in United States dollars owing to the inclusion of goods and services that were not tradable internationally. A more balanced approach, in the view of some members, would be to use a currency basket, namely, the special drawing rights (SDRs) used by the International Monetary Fund, to replace the dollar as a single conversion base; other members doubted the usefulness of that approach.

4. With regard to the current ceiling and floor rates set by the General Assembly, some members of the Committee had noted that the floor level was inconsistent with the principle of capacity to pay because it increased the burden on countries whose rates of assessment had to be raised to that level; other members felt that the floor ensured a certain base minimum which Member States should contribute. The Committee had decided to consider further the base period, the debt-burden adjustment and the low per capita income adjustment in the light of guidance by the General Assembly and on the basis of additional information from the Statistics Division.

5. The Committee had revisited the proposal for automatic recalculation of the scale on a number of occasions since 1997. Some members believed that such recalculation would reflect current capacity to pay better, while others felt that it might lead to annual renegotiation of the scale, making annual assessments less stable and predictable, quite apart from contravening rule 160 of the rules of procedure. The Committee had decided to continue its consideration of the question at future sessions.

6. In its resolution 61/237 the General Assembly had noted that the application of the current methodology had led to substantial increases in the rate of assessment of some Member States. The Committee had accordingly decided to continue to consider the feasibility of application of systematic measures of transitional relief for States facing large scale-to-scale increases in the light of guidance by the Assembly.

7. In its resolution 57/4 B the General Assembly had endorsed the Committee's conclusions and recommendations concerning multi-year payment plans and had reaffirmed paragraph 1 of that resolution on several occasions. One of the recommendations had been that the Secretary-General should be requested to submit information on such plans and an annual report on their status: his report on multi-year payment plans (A/62/70) was a response to that request. Details of the Committee's review of that report were to be found in chapter IV of its own report, together with information on the implementation of the plans submitted. The system had helped the Member States concerned to reduce their arrears (Georgia and Niger had completed payments under their plans in 2007), and the Committee recommended that the General Assembly should encourage other States in arrears to submit plans. Some members had noted that since the terms of

some of the plans were not being met, the length of the payment term might need to be adjusted to a State's capacity to pay.

8. The Committee had considered seven requests for exemption under Article 19 of the Charter; it noted that four of the States requesting exemption had submitted multi-year payment plans and it encouraged all States requesting exemption to do likewise. The Committee had also decided to review at its next session the principles of the application of Article 19 provisions in order to establish guidelines for considering future requests for exemption. The Committee had concluded that the failure of the seven Member States in question to avoid the application of Article 19 had been due to conditions beyond their control.

9. The Committee had noted that seven Member States falling under the provisions of Article 19 had been permitted to vote in the General Assembly until the end of the sixty-first session (para. 120 of the report); it had further noted that the Secretary-General had accepted in 2006 the equivalent of approximately $1 million in currencies other than the United States dollar (para. 123); it had decided to revert to the question of its working methods at its next session (para. 125); and it had requested the General Assembly to consider the allocation of funds for a database and website (para. 126).

10. **Ms. Than** (Acting Chief of the Contributions Service) said that the report of the Secretary-General on multi-year payment plans (A/62/70) was a response to the recommendations of the Committee on Contributions that Member States in arrears should be encouraged to submit multi-year payment plans and that the Secretary-General should provide further information on the submission of such plans and an annual report on the status of their implementation. The report thus provided information on the five existing payment plans: Tajikistan and Georgia had exceeded the planned payments, while the payments by Niger and Sao Tome and Principe had been below the scheduled levels; Liberia had paid the first two instalments under its plan. The report of the Committee on Contributions provided information on subsequent developments: Georgia and Niger had both completed their payments in 2007 and no longer fell under the provisions of Article 19; the Committee had recognized the efforts made by those two States to honour their commitments. The report also contained updated information on the implementation of the three other plans; Liberia had paid another instalment since the issuance of the report.

11. **Ms. Mesquita** (Portugal), speaking on behalf of the European Union, the candidate countries Turkey and the former Yugoslav Republic of Macedonia, the stabilization and association process countries Albania, Montenegro and Serbia and, in addition, Armenia, Iceland, Georgia, Moldova and Ukraine, said that, with regard to requests for exemption under Article 19, the European Union had consistently maintained that the payment of assessed contributions in full, on time and without conditions was a primary duty of all the Member States and that the substantial arrears of several major contributors exacerbated the Organization's financial situation. However, it recognized that some Member States might experience genuine difficulties in paying their contributions and must be afforded the consideration provided for in the Charter. Multi-year payment plans had proved a success in helping a number of States to reduce their arrears and thus demonstrate their commitment to meeting their financial obligations. The European Union noted in particular the new plan submitted by Liberia and commended Georgia and Niger on having completed their payments. It was concerned that the Central African Republic had not made a single contribution since 1998 and agreed with the Committee on Contributions that the problems of the Comoros were systemic in nature and did not constitute exceptional circumstances: both States should try to make at least sufficient payments to avoid further increases in their arrears. Despite those concerns, the European Union would endorse the Committee's recommendation that the seven States requesting exemption should be permitted to vote until the end of the sixty-second session.

12. Turning to the methodology of the scale of assessments, she said that the European Union believed that universal adoption of the 1993 SNA for income-measurement purposes would indeed provide a more equitable and comparable measure of capacity to pay; Member States which had not yet adopted the 1993 SNA were encouraged to do so. It looked forward to the Committee's analysis of the feasibility of using SDRs instead of the United States dollar as a single conversion base. Where the debt-burden adjustment was concerned, it was interesting to read that new data had shown that the repayment period of total external debt had declined from 9.9 years in 1999 to 6.9 years

in 2005 and that data on public debt was now available from the Organization for Economic Cooperation and Development for 135 countries: there were thus possibilities for fine-tuning the current format of the debt-burden adjustment. More detailed information on alternatives for the establishment of the threshold of the low per capita income adjustment would be welcome.

13. There was scope for consensus and improvement with regard to some of the issues which she had mentioned. The Fifth Committee must respond to the request of the Committee on Contributions for guidance in its task of improving the Organization's scale of assessments.

14. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that, in view of the difficulty experienced in achieving a compromise on the scale of assessments at the sixty-first session of the General Assembly, the Committee should avoid another round of divisive discussion on elements of the methodology.

15. The Group of 77 and China reaffirmed that Member States had an obligation under the Charter to bear the financial expenses of the Organization in accordance with their capacity to pay but it acknowledged that some States might be temporarily unable to meet their financial obligations owing to circumstances beyond their control. It agreed with the recommendation of the Committee on Contributions that the seven States which had requested exemption under Article 19 should be permitted to vote until the end of the sixty-second session and it would be willing to take action on a draft resolution to that effect without informal consultations.

16. The Group reiterated that multi-year payment plans were a voluntary mechanism and stressed that the performance of the States concerned should be judged in the light of their difficult situations. Georgia and Niger were to be commended on having paid their arrears in full; the remaining States should follow their example. The Group supported the Committee's recommendations that Member States should be encouraged to adopt the 1993 SNA and that MER-based conversion rates should be used for the scale of assessments, except where that would result in excessive fluctuations and distortions. The core elements of the current methodology were, however, not negotiable. The current ceiling had been fixed as a political compromise: it ran counter to the principle of capacity to pay and acted as a fundamental source of distortion in the scale.

17. One of the Group's major concerns had been the abrupt and sharp increases in the assessments of some developing countries from one scale to the next: it urged the Committee on Contributions to try to ensure that such increases were avoided and to reduce to a minimum anomalies arising from application of the existing methodology, especially in the relative contributions of developed and developing countries. Since it was doubtful that consensus could ever be reached on the question of annual recalculation of the scale, the question should be dropped. Once again, the information on the issue of settling the scale of assessments for the successor States of the former Yugoslavia was insufficient for an informed decision.

18. **Mr. Ng'ongolo** (United Republic of Tanzania), speaking on behalf of the African Group, said that the importance of the item could not be overemphasized, for it was fundamental to the provision of the resources needed by the Organization to carry out its mandates. While it was an obligation of all the Member States to pay their assessed contributions in full, on time and without conditions, some of them were genuinely unable to pay owing to reasons beyond their control. The African Group therefore agreed with the Committee's recommendation that the requests for exemption under Article 19 by the seven States mentioned in chapter V of its report should be accepted. Six of those States were African and all were in difficulties because of armed conflicts and political and social instability; some of them were heavily indebted. The international community should redouble its efforts to assist them in consolidating peace and speeding up their economic recovery; the strengthening of the Office of the Special Adviser on Africa would do much to address the special needs of Africa as a whole.

19. The African Group took note of the Secretary-General's report on multi-year payment plans: such plans were indeed voluntary but they offered a means of demonstrating a State's commitment to meeting its financial obligations to the Organization. It commended the Member States which had submitted plans and made the corresponding payments; other States in arrears should follow their example.

20. The adoption of Security Council resolution 1778 (2007) authorizing the deployment of a multidimensional

presence in Chad and the Central African Republic was welcome, for such a presence might pave the way to political and economic stability. It was to be hoped that a similar decision would soon be taken on Somalia.

21. The African Group would like to see the issue of the scale of assessment for the successor States of the former Yugoslavia settled, but it supported the proposal to defer it to a future session.

The meeting rose at 10.50 a.m.

United Nations A/C.5/62/SR.3

General Assembly
Sixty-second session

Official Records

Distr.: General
23 October 2007

Original: English

Fifth Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Tuesday, 9 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

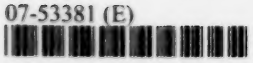
Agenda item 132: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 134: Joint Inspection Unit

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

07-53381 (E)



The meeting was called to order at 10.10 a.m.

Agenda item 132: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/62/11 and A/62/70)

1. **Mr. Monayair** (Kuwait) stressed the vital role played by the scale of assessments in guaranteeing the United Nations a reliable source of funding. The capacity to pay was the main criterion for determining the scale of assessments for the contributions of Member States. The methodology used to determine the capacity to pay must continue to evolve if the Organization was to achieve full justice and transparency in the determination of the assessments. However, any increase in the assessments of the developing countries which entailed consequent decrease in those of the developed countries was unacceptable.

2. He supported the system of multi-year payment plans as an important measure to assist Member States in meeting their commitments. He also supported the granting of exemptions under Article 19 of the Charter to the Central African Republic, the Comoros, Guinea-Bissau, Liberia, Sao Tome and Principe, Somalia and Tajikistan and the maintenance of their voting rights until the end of the sixty-second session.

3. Member States must show the political will to help the United Nations to meet its goals. His delegation supported the vital work of the Organization and would continue to meet its financial obligations in a timely manner.

4. **Mr. Golovinov** (Russian Federation) said that the fair apportionment of the expenses of the Organization was the exclusive prerogative of the General Assembly, which had also established in a series of resolutions the central requirement that assessments should be paid in full, on time and without conditions. In his delegation's view, the Organization's financial stability and, therefore, the successful implementation of its global objectives, depended on the full compliance of Member States with that obligation.

5. The principle of capacity to pay was vital; the Organization was the only world body in which each State had the right to vote regardless of its contribution to the budget. His delegation was of the view that the current methodology was the result of careful work by the Member States throughout the Organization's history and that it did not require any substantial change during the next two years. It noted with satisfaction the progress achieved by the Committee on Contributions in considering such elements of a future scale of assessments as income measure, conversion rates and criteria for determining the need to replace market exchange rates and to use price-adjusted rates of exchange and it supported the corresponding recommendations.

6. His delegation had taken note of the intent of the Committee on Contributions to continue reviewing the elements of the methodology for the compilation of the scale of assessments at its sixty-eighth session and to present a comprehensive report on the results to the Fifth Committee at its sixty-third session, pursuant to General Assembly resolution 61/237. A discussion on methodology during the current session would be premature and unproductive.

7. Lastly, his delegation had taken note of chapter V of the report of the Committee on Contributions (A/62/11) regarding Member States which were in arrears, and it supported the decision to permit the States concerned to retain their voting rights during the current session.

8. **Mr. Matsunaga** (Japan) said that his delegation supported the decision of the Committee on Contributions to allow the seven Member States which were unable to meet their commitments to avoid the application of Article 19 of the Charter. It also supported the use of the multi-year payment plans and strongly urged States that had not yet submitted their plans to do so at the earliest possible date.

9. **Mr. Griever** (Chairman of the Committee on Contributions) said that the comments of the Member States would be duly conveyed to the Committee on Contributions and fully taken into account. The Committee was conducting an in-depth study of the methodology for the preparation of the scale of assessments, in conjunction with the Secretariat and the Statistics Division, and would be pleased to update the Committee during its informal consultations.

Agenda item 134: Joint Inspection Unit (A/62/34 (Chapter I))

10. **Ms. Wynes** (Chairperson of the Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) for 2006 (A/62/34), said that, in 2006, JIU had contributed to intensive discussions on governance and oversight issues in the United Nations system,

during which it had re-emphasized that oversight was ultimately a function of Member States that went far beyond internal audit. The Unit was pleased that the General Assembly continued to reaffirm its unique position as the system-wide provider of external oversight services.

11. In 2006, JIU had focused on improving its working methods and tools. Reports had been made more reader-friendly and concise; an electronic documentation and information centre containing hyperlinks to key documents from each participating organization had been created; and management assessments identifying potentially critical issues had been completed for most organizations.

12. The Unit had issued eight reports and notes in 2006 and expected to complete at least 13 in 2007. Four of the reports and notes issued in 2006 were system-wide, while the other four concerned the United Nations alone. In its 2007 programme of work, the Unit had shifted its emphasis towards topics that went beyond a single organization in order to make full use of the unique potential inherent in its system-wide mandate.

13. Because of the progress of reviews and the timely issuance of reports were hindered by a lack of research staff at the Professional level, the Unit had proposed that two existing General Service posts should be upgraded to Research Officer posts at the P-2 and P-3 levels. Unfortunately, it had been unable to convince the Advisory Committee on Administrative and Budgetary Questions (ACABQ) of the validity of that proposal, which would be cost-neutral in the biennium 2008-2009. The Unit welcomed the Fifth Committee's support for the proposal during the previous session, and hoped that it would be able to count on that support in the future.

14. As requested by the General Assembly, JIU had continued to strengthen follow-up on the implementation of recommendations. Participating organizations were requested to provide an annual update on the acceptance, implementation and impact of JIU recommendations. The redevelopment of the follow-up database had greatly facilitated the input and analysis of information received from those organizations. Acceptance rates of recommendations in single-agency reports issued in 2004 and 2005 had reached 72 per cent by the end of 2006 and it was hoped that the rate for 2007 would be significantly higher. In the case of system-wide reports, the acceptance rate after one year was much lower, owing to the fact that it often took a long time for reports to reach the organizations' governing bodies. In many instances, governing bodies had simply taken note of the recommendations without indicating whether they had actually endorsed them.

15. The Unit continued to work closely with the Board of Auditors and the Office of Internal Oversight Services (OIOS). The three bodies had begun to hold interim tripartite meetings to allow for a timely exchange of information, and regularly exchanged notes when conducting reviews, in order to make maximum use of the knowledge and expertise available within the United Nations oversight community.

16. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group was pleased to note the commitment of JIU to bring about the necessary internal reforms, in compliance with the relevant General Assembly resolutions. It particularly appreciated the adoption of the harmonized report format, which should make reports more reader-friendly and ensure compliance with the standard requirements for official documents.

17. The rate of acceptance of JIU recommendations in both single-agency and system-wide reports was highly encouraging. The Group appreciated the action taken by the Unit to strengthen its follow-up system and hoped that the matrix system would improve implementation. It urged all participating organizations to provide the information requested by JIU regarding the status of implementation of its recommendations. The Group also welcomed the management assessments and the table on the impact of the recommendations contained in paragraph 43 of the report. It hoped that the data collection could be improved so that meaningful conclusions could be drawn.

18. With respect to expected savings, the Group was pleased to note that the Unit had estimated that a merger between the United Nations Office for Project Services procurement service and the Inter-Agency Procurement Services Office could result in recurrent savings, in terms of reduced staff and non-staff costs, of at least $1.6 million per biennium. It was also pleased to note the ongoing cooperation between JIU, OIOS and the Board of Auditors. Further strengthening of such cooperation was essential in order to avoid

overlap and duplication and to ensure efficient use of resources.

19. The Group welcomed the availability of the Unit's documents in six languages on its websites and looked forward to the establishment of an electronic documentation and information centre.

20. The Group noted with concern that none of the Research Officers were directly assigned to Inspectors and fully supported the Unit's request that two General Service posts should be upgraded to Research Officer posts.

21. Lastly, the Group also noted with concern the difficulties encountered by JIU Inspectors in obtaining visas. It strongly encouraged the authorities concerned to issue visas in a timely manner, and stressed that failure to do so deliberately undermined the authority of the General Assembly.

22. **Mr. Hillman** (United States of America) said that his delegation welcomed the reorganization of the Unit's work schedule, in compliance with General Assembly resolution 61/238. It was pleased that the new approach had resulted in better coordination and improved information-sharing with other oversight bodies.

23. Although the 72 per cent acceptance rate of JIU recommendations made in single-agency reports in 2004 and 2005 was satisfactory, it was disappointing that only 30 per cent of those recommendations had actually been implemented. Although he noted that 59 per cent of the remaining recommendations were in the process of being implemented, he wished to know why it had taken so long for management and the governing boards of the organizations concerned to act on the Unit's recommendations. He would also be interested to know why 45 per cent of JIU recommendations made in system-wide reports in 2004 and 2005 were still under consideration by the governing bodies and why it had taken two or more years for those organizations to act on recommendations designed to achieve greater efficiency and more effective delivery of programme outputs. As a member of many of the governing boards, the United States planned to address the need to take prompt action at upcoming meetings.

24. His delegation was pleased that JIU planned to conduct four system-wide reviews in 2007 and encouraged the Unit to continue focusing on the preparation of reports that would benefit as broad a range of institutions as possible within the Organization. His delegation also welcomed the Unit's ongoing efforts to increase coordination and improve information-sharing with other oversight bodies.

25. He would appreciate further clarification on the conversion of the two General Service posts to Research Officer posts and on the Unit's efforts to recruit an Investigation and Inspection Officer. Specifically, he would like to know how a JIU investigation function would complement and/or differ from investigations currently being carried out by internal oversight functions within the United Nations system.

26. **Mr. Golovinov** (Russian Federation) stressed that, as the sole external oversight body in the United Nations system, JIU must be constantly and actively involved in the search for ways to improve management within the United Nations system, particularly with respect to possible system-wide decisions that would ensure the efficient use of resources. His delegation attached great importance to increasing the effectiveness of JIU and expected the Unit to take an aggressive approach to identifying the weak links in the management of the organizations.

27. Referring to the considerable volume of work conducted by the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations, its Funds, Programmes and Specialized Agencies, he said that his delegation would recommend that a review of the Secretariat should be undertaken in 2008.

28. The Unit had produced a largely positive report on staff mobility in the United Nations (JIU/REP/2006/7), but the report had been issued after the General Assembly had taken the relevant decisions. Had the report been issued earlier, the decisions of Member States might have been different.

29. **Ms. Wynes** (Chairperson of the Joint Inspection Unit), responding to the points that had been raised, said that governing boards often took a long time to act on the Unit's recommendations because they had not developed the necessary systems and strategies to do so. It should also be noted that different governing boards had different timetables for considering reviews. With respect to the implementation of recommendations designed to achieve greater efficiency and more effective delivery of programme outputs, the organizations concerned had taken two or

more years to act because their governing boards usually dealt with JIU reports only once a year; again, different organizations usually held such meetings at different times of the year. She was pleased to learn that the United States intended to take up the issue with the governing boards of which it was a member.

30. She clarified that the Unit had requested the conversion of two General Service posts to two Research Officer posts, one at the P-2 level and one at the P-3 level. She was pleased that the request had received the support of the United Nations Secretariat. In that regard, she drew attention to a memorandum dated 4 September 2007 that JIU had sent to the Director of the Programme Planning and Budget Division after the Advisory Committee had recommended against the proposed conversion. The memorandum stated that "the proposed changes would create a basis for assigning one Research Officer to one Inspector and one project at a time, thus fostering cohesion within a given project team, simplifying reporting lines, strengthening accountability, and avoiding disruption of one project by another project with conflicting timelines. The proposed increase of research capacity at the professional level was also needed to cope with tasks such as continuous development and enhancement of professional practices, research and analysis in connection with the preparation of the annual programme of work and further strengthening the follow-up on recommendations, tasks for which many other oversight bodies had dedicated resources". The Unit attached great importance to the conversion of the posts and appreciated the support expressed by the representative of Pakistan, on behalf of the Group of 77 and China.

31. In reply to the question raised by the representative of the United States regarding JIU investigations, she said that, in its report on oversight lacunae in the United Nations system (JIU/REP/2006/2), JIU had expressed its intent to focus on the lacunae in the smaller agencies that had no investigation capacity. The Unit had also planned to conduct investigations similar to the one recently carried out by the Internal Audit and Oversight Division at the World Intellectual Property Organization; it had not yet done so, owing to a lack of resources and capacity.

The meeting rose at 10.55 a.m.